GOVERNMENT OF INDIA
TOURISM
LOK SABHA

UNSTARRED QUESTION NO:2046
ANSWERED ON:10.08.2006
RATIONALISATION OF TAXES .
Reddy Shri Karunakara G.

Will the Minister of TOURISM be pleased to state:

(a) Whether there is any proposal to rationalise the taxes on hotels and other tourism industry;

(b) If so, the details thereof;

(c) Whether the views of the State Governments have been ascertained in the matter; and

(d) If so, the response of the State Governments thereto?

Answer

THE MINISTER OF TOURISM AND CULTURE (SMT. AMBIKA SONI)

(a), (b), (c) and (d): The matter regarding rationalization of taxes by the State Governments/Union Territories on hotels and other tourism industry was discussed in the State Tourism Ministers Conference held on 4th and 5th March, 2005 in New Delhi. It was recognized that Tourism is a major driver of economic growth and employment generator. It was therefore passed in the Resolution that the States would work towards rationality and uniformity of taxes so as to make their destinations competitive. It was agreed that this would lead to increase in tourist arrivals and generate higher revenues. The States were requested to explore the possibility of drawing up a model uniform taxation regime in each zone. No response have been received from the State Governments.